



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt resolution authorizing the City Manager to sign a contract between the City of Lodi and Planergy International, to initiate the City of Lodi Electric Utility Summer 2001 ISO – Industrial Customer Load Curtailment Program

MEETING DATE: March 21, 2001

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council approve the City of Lodi Electric Utility Summer 2001 ISO Industrial Customer Load Curtailment Program, and authorize the City Manager to sign a contract between the City of Lodi and Planergy International to implement and manage the project.

BACKGROUND INFORMATION: The City of Lodi Electric Utility is proposing to participate in the Summer 2001 Load Curtailment Program, as developed by the California Independent System Operator (Cal-ISO). The Cal-ISO (which is responsible for maintaining the integrity of the statewide power grid) program will provide incentive dollars to large commercial and industrial customers that curtail energy usage, when called upon to do so, between June 1, 2001 and September 30, 2001. The Cal-ISO is coordinating their program through participating electric utility providers in central and northern California.

The Cal-ISO is anticipating significant energy shortages around the state this summer, and has thus created the Summer 2001 Load Curtailment Program to help reduce the potential for rolling blackouts. Although the City of Lodi has sufficient resources to meet the electricity needs of local customers this summer, energy shortages statewide could impact the overall energy grid or delivery system of California.

In order to effectively manage the proposed summer curtailment program, the City of Lodi Electric Utility is recommending that Planergy International (formerly Energy Masters International, and the City of Lodi's chosen energy services company) be selected to administer, implement and provide the daily coordination to ensure program success. Planergy International currently is providing load curtailment management services in several other states across the country.

FUNDING: Not applicable

Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Manager, Customer Programs
ANV/RL/1st
C: City Attorney

APPROVED:

H. Dixon Flynn - City Manager

RESOLUTION NO. 2001-68

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE CONTRACT BETWEEN
THE CITY OF LODI AND PLANERGY INTERNATIONAL,
TO INITIATE THE CITY OF LODI ELECTRIC UTILITY
SUMMER 2001 ISO – INDUSTRIAL CUSTOMER
LOAD CURTAILMENT PROGRAM

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WHEREAS, the State has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1M per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the City of Lodi Electric Utility is proposing to participate in the Summer 2001 Load Curtailment Program, as developed by the California Independent System Operator (Cal-ISO); and

WHEREAS, the Cal-ISO is responsible for maintaining the integrity of the statewide power grid, and the Cal-ISO program will provide incentive dollars to large commercial and industrial customers that curtail energy usage, when called upon to do so, between June 1, 2001 and September 30, 2001. The Cal-ISO is coordinating their program through participating electric utility providers in central and northern California; and

WHEREAS, the Cal-ISO is anticipating significant energy shortages around the state this summer, and has created the "Summer 2001 Load Curtailment Program" to help reduce the potential for rolling blackouts. Energy shortages statewide could impact the overall energy grid or delivery system of California; and

WHEREAS, in order to effectively manage the proposed summer curtailment program, the City of Lodi Electric Utility is recommending that Planergy International (formerly Energy Masters International and the City of Lodi's chosen energy services company), be selected to administer, implement and provide the daily coordination to ensure program success. Planergy International is currently providing load curtailment management services in several other states across the country.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to execute a contract between the City of Lodi and Planergy International, to initiate the City of Lodi Electric Utility Summer 2001 ISO – Industrial Customer Load Curtailment Program.

Dated: March 21, 2001

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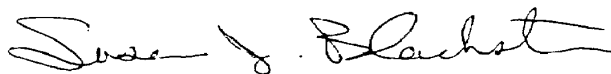
I hereby certify that Resolution No. 2001-68 was passed and adopted by the Lodi City Council in a regular meeting held March 21, 2001 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Pennino and Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

A handwritten signature in black ink, appearing to read "Susan J. Blackston", written in a cursive style.

SUSAN J. BLACKSTON
City Clerk